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FISCAL IMPACT REPORT

SPONSOR Hickey **ORIGINAL DATE** 1/28/2022
LAST UPDATED _____ **HB** _____
SHORT TITLE Space Valley Center **SB** 161
ANALYST Fischer

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY22	FY23		
	\$6,000.0	Nonrecurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

Related to SB90 and HB103

SOURCES OF INFORMATION

LFC Files

Responses Received From

Higher Education Department (HED)

No Response Received

Central New Mexico Community College (CNM)

SUMMARY

Synopsis of Bill

Senate Bill 161 appropriates \$6 million from the general fund to Higher Education Department for the New Mexico space valley coalition, led by Central New Mexico Community College (CNM), to plan, design, construct, improve, renovate, furnish, and equip facilities for a space valley center.

The appropriation is contingent on the New Mexico space valley coalition successfully obtaining a phase two Build Back Better grant awarded by the United States Economic Development Administration. There is no effective date of this bill. It is assumed that the effective date is 90 days following adjournment of the Legislature.

FISCAL IMPLICATIONS

The appropriation of \$6 million contained in this bill is a nonrecurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of fiscal year 2024 shall

revert to the general fund.

SIGNIFICANT ISSUES

CNM did not submit this request to the Higher Education Department or LFC for possible incorporation into either's higher education funding recommendation. The department and LFC have a formal process for reviewing earmarked budget requests for higher education institutions when developing their respective funding recommendations.

CNM did not provide analysis for SB161, so the details of the space valley facilities, such as where they would be located and who would own them, are unclear. According to the Higher Education Department, SB161 would support a CNM-led team called the New Mexico Space Valley Coalition, which consists of CNM, CNM Ingenuity, the New Mexico Trade Alliance, New Space New Mexico, and Spaceport America in developing a Space Valley Center.

The Coalition was notified in December 2021 by the U.S. Economic Development Administration (EDA) it was one of 60 finalists for the federal Build Back Better Regional Challenge. EDA awarded each finalist approximately \$500 thousand to develop their proposed projects further. The competition will ultimately award 20 to 30 regional coalitions between \$25 million and \$100 million sometime in 2022. The EDA reports that it will require between 0 and 20 percent cost-share for the awards, depending on the project. It is unclear if the appropriations contained in this bill could be used for such matching requirements.

RELATIONSHIP

SB161 is related to duplicate bills SB90 and HB103 which appropriate \$5 million to CNM for a venture studio – another part of the space valley coalition.

MF/acv